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SUBJECT: NGO'S SEEK ROLE IN FIGHTING CORRUPTION

REF: (A) BAGHDAD 2577; (B) BAGHDAD 2385

¶1. (SBU) SUMMARY. The Embassy's Anti-Corruption Coordinator's Office (ACCO) hosted a half-day seminar on September 28 to advance coordination between Iraq's anti-corruption institutions and members of Iraqi civil society. Participants agreed on the need for civil society to take a more prominent role in anti-corruption efforts, while acknowledging that both the institutions and civil society were still nascent entities with only a limited track record for cooperative engagement. NGO's also complained about the overall social and political environment which they said was enabling, not thwarting, corruption. Ideas for next steps included new laws for the institutions and NGO's, an oversight board for NGO's, an enhanced role for the media, and broader dialog between NGO's and the main anti-corruption agencies. END SUMMARY.

UNCAC and the New Strategy

¶2. (SBU) ACCO hosted a half-day seminar on September 28 to bring together Iraq's anti-corruption institutions and members of civil society to discuss national anti-corruption efforts. Representatives of Iraq's Commission on Integrity (COI), Inspectors General, and approximately 30 NGO's attended, along with representatives from MNC-I, POL, ECON, ROL, CLA, and Iraqi media.

¶3. (U) In opening remarks, ACCO Coordinator Stafford noted the progress Iraq was making on anti-corruption efforts, hailing Iraq's ratification of UNCAC (UN Convention against Corruption) last year. He noted the progress of the primary anti-corruption agencies (COI, IG's, and the Board of Supreme Audit, or BSA) in gaining capacity and, in COI's case, bringing greater numbers of cases to court. Stafford and Deputy COI Director Judge Izzat Tawfiq Ja'afar -- the senior Iraqi anti-corruption official present -- also hailed the importance of NGO contributions -- particularly at the recent UN-hosted Amman Conference (Ref A) -- to the new anti-corruption strategy that Iraq intends to launch as a means to achieve UNCAC compliance.

¶4. (U) Inspector General for the Ministry of Industry Salim Polis noted that Article 5 of the Convention requires signatories to create strategies to combat corruption; he said that thus far, Iraq had identified 200 challenges that will need further action under the forthcoming strategy. The first part of the strategy will outline general needs and address roles of different players, including NGO's, although ensuring NGOs' active role also requires Parliament to pass the proposed NGO law. (COMMENT: The draft NGO law is currently in limbo. It has received a first reading in parliament, drawing extensive comment from international and Iraqi civil society and criticism on limits proposed for foreign financing and support. We believe it is unlikely the bill will have a second of the required three readings before new parliamentary elections in January. A new government may initiate a new draft or resume debate on the current draft. END COMMENT.) Polis reminded the audience that UNCAC preserves a strong role for NGO's in explaining anti-corruption to the public and monitoring government execution.

Jostling to Engage on Corruption Strategy

¶5. (SBU) Polis also observed that NGO's in Iraq until now have focused most broadly on humanitarian work, with little emphasis on trying to promote accountable government. To improve their capacity, he suggested an oversight or governing board for the NGO community, composed of GOI and NGO representatives, an idea that prompted strong criticism from NGO reps in the audience.

¶6. (SBU) Some NGO's objected to the COI's designating only a select group of NGO's, all of which are associated with the Alliance for Integrity Organizations, as the COI's primary interlocutors on the new strategy, which they said unfairly limited input. Others criticized the anti-corruption institutions for allegedly limiting investigations to "minor players" while contending that much bigger crooks had avoided scrutiny. One participant noted that corruption would persist until those at the top felt pressure to improve their own behavior. In response to the criticisms, COI Director of NGO relations Sameer Farraj disputed that COI had arbitrarily closed the door to further NGO participation and invited others to join the UNCAC process. He insisted that the COI was also going after senior officials, not just the lower-level ones. (COMMENT: There are signs of late of greater willingness by the COI to act against upper-echelon officials -- e.g. the arrest of the Deputy Transport Minister on bribery charges (ref B.) Overall, though, the NGO's criticism of the GOI's past failure to bring senior officials to account for corruption has some merit. END COMMENT.)

Free to Complain, Much to Complain About

¶7. (SBU) Jamil Auda a technical advisor to the Minister of State

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for Civil Society Affairs, indicated that corruption in Iraq involved government, private sector, and external actors. He asserted the GOI's commitment to protecting freedom of expression that permitted discussion of corruption by government officials and publicizing cases against them. Both Auda and William Warda of Hammurabi Rights Organization highlighted aspects of Muslim and Christian doctrine that stigmatized corruption.

¶8. (SBU) Azara Sheikhly, who represents the Mihaniyat Organization (an NGO), sharply criticized the idea of NGO supervision through establishment of an oversight board, claiming that misconduct in civil society was much less egregious than in government. She also said that the government was seeking to muffle NGO's with its proposed law that would prevent them from taking outside help; she also charged the GOI with failing to give adequate weight to NGO's in its decision-making. Another NGO participant said NGO's were crippled by low capacity and needed significant training.

¶9. (SBU) William Warda said that COI's NGO department needed to establish closer contact with NGO's. He argued against senior officials being allowed to maintain dual nationality, as some corrupt officials had been able to establish safe-havens for themselves and their ill-gotten funds in their "second homeland."

Personnel System Needs Attention

¶10. (U) Participants offered several concrete recommendations for strengthening anti-corruption efforts by NGO's, namely:

- NGO's should participate in decisions relating to the allocation of reconstruction funds and economic reforms as well as monitor expenditures of major projects;
- NGO's should have advisory roles in the crafting of new legislation;
- the COI should have a role in amending the electoral law to boost transparency in the selection of senior government officials;
- civil society must raise public awareness of the need for truly independent IG's in all ministries;
- NGO's who want to contribute to anti-corruption strategy should have routine meetings with the IG's and COI;

-- the COI should engage the media more actively on behalf of its anti-corruption efforts;
-- COI must publish names of corrupt individuals;
-- COI and others should exploit social pressure points to fight corruption (i.e., draw in tribal authorities);
-- COI should obtain greater authority -- similar to anti-corruption institutions in Egypt -- to pursue cases;
-- donors and a/c institutions should educate the government as well as private citizens on anti-corruption issues;
-- government agencies should make greater use of e-government tools for transparency.

Press Coverage

11. (U) Embassy Public Affairs Section arranged press coverage of the conference and individual interviews that were carried by Iraq of Tomorrow website, al-Rasheed TV, Iraq Media Network and al-Sabah newspaper. The televised reports included exclusive remarks from the ACCO highlighting the important role of civil society in combating corruption and the progress Iraq had made to date on the issue. Coverage of the event spurred interest from other outlets including Al-Sharqiya TV, which did an exclusive follow-on interview with ACCO Coordinator.

Background on NGO's in Iraq

12. (SBU) (NOTE: A survey conducted in Baghdad among 180 NGO's in mid-2009 by Al-Amal Association provided a useful snapshot of NGO's today in Iraq. The survey showed that a large portion (47.4%) operate on a budget of less than \$10,000, with an additional 12.1% managing budgets of under \$25,000. Only 7.5% have budgets up to \$200,000 a year. The organizations who were polled reported receiving most of their funds from the U.S. (13.9% from IRI-NDI-NED, 5.2% from ICSP, and 3.5% from ARD), followed by the UN (19.7%), 8.5% from religious institutions, 3.5% from parliament, and 2.9% from the government. The largest portion (36.4%) had a membership of less than 15. The majority of organizations working in Baghdad are engaged in charitable work (45.7%) followed by development (38.7%), and most organizations had carried out fewer than ten projects since they were founded. Both constraints on capacity and funding constrain NGO activity, as well as the habit of many organizations' shifting activities to mirror prevailing foci of external donors. Also, lines between government and NGO's are blurred in Iraq, with many politicians jumping back and forth between government and NGO's, or pursuing both simultaneously. Three of the NGO representatives attending the ACCO seminar September 28 were sitting members of parliament. END NOTE)